

PROFESSOR I.N. EVIAN-PRECURSOR OF ACCOUNTING SCHOOL FROM CLUJ

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Our paper is about the history of accountancy in Romania, in Transylvania. We develop this subject because we consider that is very important to know about the history of your own country, and from our point of view about the history of accounting, which is a very important component of nowadays life. This work paper presents the history of the accountancy through the study of biography. So by describing the work of professor I.N. Evian, who was an important personality for the accounting history in Romania, we want to find historical elements that are not so able to see otherwise. The article wants to highlight the impact that the work of professor Evian had in the history of accounting in Romania. Also, by presenting the work of professor I.N. Evian in the context of the Academy of High Commercial and Industrial Studies from Cluj, we want to prove that this institution was the first form of higher education in Transylvania in the accountancy field.

Key Words: accountancy, personalities, accounting theories

Cod JEL: M41, B10

I. Introduction

The history of accounting is largely the history of civilization (Woolf, 1986). Professor Nicolas Feleaga supports this assertion, stating that, "It is easy to understand that one's negligence to study the past, to know one's history, amputates one's means of developing the country economically, socially or in a field less enviable as accounting". Accounting is a human construct. In the present context, accounting cannot be understood without reference to the key personalities who have contributed to its development. (Parker, 1993) That is why this article aims to present the scientific work of one of the professors of the Academy of High Commercial and Industrial Studies in Cluj-Napoca, considered the first form of higher economic education in Transylvania.

The importance of Professor I.N. Evian's activity in the field of accounting, at the Academy of High Commercial and Industrial Studies in Cluj, supports the affirmation that this institution was the first form of higher education in the field of accounting, and that the work of the Professors of the Accounting Academy (and beyond) are the landmarks for today's accounting. The focusing of attention on the Academy of High Commercial and Industrial Studies in Cluj is due to the historical particularities that this area of Romania experienced thanks to the Habsburg rule, which left its mark on accounting reasoning. The organization of higher education in Romanian, in Transylvania, more specifically in Cluj-Napoca, had innumerable trials and obstacles, but eventually succeeded in establishing a form of higher economic education, which is today the precursor of the largest Faculty of Economic Sciences in Romania.

Early accounting literature in Romania has its origins in the second half of the nineteenth century, in Transylvania. The first book in Romanian was written and published here, and here Professor Evian, from the Academy of High Commercial and Industrial Studies would publish a book considered the root of the accounting literature in Romania. The works written in the nineteenth century and then, in the time of the Academy of High Commercial Studies, in the field of accounting can be regarded as landmarks in the Romanian accounting of today. This paper is a description and a qualitative analysis of Professor Evian's activity. It aims to identify the Professor's concerns at the Academy, in the field of accounting and journalism.

This article is a part of and supports the paper that will discuss the beginning of the Accounting School of Cluj. The article is structured in three parts. The first part presents the methodology used in the approach and writing this paper. The second part is the content of the article, which presents Professor Evian's work, and a brief presentation of his work "Theory of accounts". Finally, we present the conclusions on the theme discussed.

II. Literature review

This work paper it can be placed together with the ones written in the history of accounting. Writings on this subject were written by few other authors from our country: C.G. Demetrescu (1930), Daniela Artemisa Calu (2005), Dana Pop (2005), Adriana Tiron Tudor și Dumitru Mătiș (2010). C.G. Demetrescu (1930) wrote „*The History of the Accountancy*”, a book in which the author presents the development of the accountancy in the world from the very first beginnings till the second half of the 20th century. In his book he included a little part about the development of the accountancy in Romania, too.

Daniela Artemisa Calu and Dana Pop, are two authors that concentrated their work on the history of accounting in Romania. The first author wrote the book „The history and development in the accountancy field in Romania”. In this book she developed the evolution of the Romanian accountancy, referring also to the international context. In her book, the author, presents few elements about the work and the theory developed by professor Evian. Dana Pop, with her PhD thesis, brings new elements in the literature about the Academy of High commercial and Industrial Studies from Cluj and about the activity of the professors that activated here. From the title of the book we notice that it is especially a work in the field of economic history, but we discover that there is a lot of accounting history, too.

Adriana Tiron Tudor and Dumitru Mătiș were interested in the accounting history in Transylvania. For this reason some of the elements presented in their article, could be useful for the writing of this paper. So, the literature which supported the writing of this article was, mostly Romanian, but there were... international authors, like: A. Munslow (2001), MacDonald (1984) or Chua and Poullaos (1993), for the writing of the methodology.

III. Methodology

This paper falls into the category of those that choose to explain the history of accounting in terms of biographical investigations. Such studies propose various decisive factors as determiners accounting personification - social class (MacDonald, 1984), gender (Kirkham and Loft, 1993), political adherence (Willmott, 1986), the relationship with the state (Chua and Poullaos, 1993) and the relation with other professions. (MacDonald, 1984)

In this paper, we have developed a qualitative study of Professor Evian's activity, describing the events as they happened, in order to obtain a better picture of the past. The methodology used is the historiography and study of literature in terms of quality. The qualitative study, as stated by John W. Creswell, quoted by Septimiu Chelcea (2007), "is an approach based on distinct methodological tradition, which analyzes a social or human problem". The aim of our historical work is to

- tell the story of something of the past (Munslow, 2001)
- become aware, assess and judge, and analyze the perspective of others who wrote about the same subject.

In our study, we consulted the latest books and but also older ones, related to the activity of the Professor and that of the Academy of High Commercial and Industrial Studies of Cluj. In these works, we have found paragraphs about the Professor's work. Our contribution is to give more details about the work of Professor I.N. Evian in a single work and to show the connection between this character and the importance of the Accounting School of Cluj.

IV. PROFESSOR EVIAN'S SCIENTIFIC ACTIVITY

IV.1. The contemporaries and the subjects approached by them

As we have already mentioned, the accounting is the result of human actions. Man created it to satisfy various needs; therefore, the human factor is very important for the study of accounting history. Accounting reasoning cannot be otherwise identified, but by studying the works and activities of those who took an interest in this area.

The accounting department was founded at the Academy of High Commercial and Industrial Studies of Cluj. I. Evian was a member of this department, among other professors.

Table 1: The accounting professors from the Academy of High Commercial and Industrial Studies of Cluj

| | |
|---------------------|----------------------|
| Ion Evian | Accounting |
| Dumitru Voina | General accounting |
| Iosif Ioan Gârbacea | General accounting |
| Ioan Tarța | Financial accounting |
| Dumitru Hașiegan | Statistics |
| Octavian Lungu | Accounting |

Personal raport

These professors had a rich activity, analyzing various accounting issues, analyzing various studies of foreign authors or were preoccupied with developing theories, such as Professor Evian. The work of these professors was published in the journal of the Academy, „Observatorul social-economic” [*The Social – Economic Observer*].

A contemporary of Professor Evian and a leading figure, was Professor Dumitru Voina. In 1932, he published the book “Stages in the evolution of accountancy”. This book is very important historically because, based on this book; the author structures the accounting for the first time at an international level, over time. However, this Professor also developed the legal - economic theory. I. Tarta was a contemporary with Evian, and also his student. He prepared his doctoral thesis in 1940, "Industrial Costs and their calculation", under the guidance of Professor Evian, who considered this work as being “*the first Romanian scientific work on industrial costs*”.

Iosif Gârbacea was concerned with the study of foreign influences in the field of accounting, so that he wrote two papers that reflect the Italian influence, and one related to the accounting regulations in Germany ("Italian Influence in Accounting", "German accounting rules") and Dumitru Hașiegan and Octavian Lungu were concerned with the study of double entries and trial balance. Along with these professors from the Academy of High Commercial and Industrial Studies, C.G. Demetrescu, Spiridon Iacobescu și Alexandru Sorescu, I.C. Panțu, V.M. Ioachim, professors at the Academy of Bucharest and Iasi, were contemporaries with Ion Evian. (Pop, D, 2005)

IV. 2. Scientific work and activity

The specialty literature considers Ioan Evian a Luca Paciolo for the Romanian accounting history. He developed a theory that finds its sustainability even today, that is why we considered that it the most representative model of personality of the Academy of High Commercial and Industrial Studies of Cluj. Professor Evian was born in Bucharest, where he attended middle school, high school and college. After graduation, he took his doctorate in Leipzig and became a Ph.D. in economic and financial sciences.

Besides with his duties as Professor, Evian had various executive positions. Thus, before the establishment of the Academy of High Commercial and Industrial Studies in Cluj, he had the following positions (Pop, D., 2005):

Director of the State Fisheries (1914-1920)

General Secretary for Transylvania, at the Industrial Affairs Department at the Ruling Council (1919-1920)

Manager of the General Bank, of Tara Romaneasca, Cluj branch

President of the Chamber of Commerce of Cluj (1920-1921)

As of 1922 to 1943, he was a professor of the Academy of High Commercial and Industrial Studies in Cluj, but continued to have other positions, too:

Member of the Supreme Council of National Economy (1922-1928)

Director of the summer courses of "N. Iorga" People's University in Valenii Mountain

Chairman of the Body of authorized and expert accountants in Romania (1942-1947)

Founder and Chairman of the Accounting Research and Business Economy Institute (1943-1947)

Ion Evian published numerous studies and articles in various periodicals, he wrote courses and published books. Of the courses he wrote for Academy students, we mention:

Comerț exterior și legislație vamală", [External commerce and customs legislation] 1924

„Studiul practic al întreprinderilor comerciale și industriale” [Practical study of the commercial and industrial enterprises], 1927

„Economia întreprinderilor” [Economy of enterprises], 1939

Among the books published by John Evian, "Theory of accounts" is his masterpiece. Besides this book, he also wrote, "Double Accounting", Bucharest 1946, "Industrial Accounting", Bucharest, 1947. These books are not his only books, but they are the most representative ones.

"Theory of accounts", was published in Cluj in 1940. Based on this book, I.N. Evian draws a line between the accounting theories and the theories of accounts. According to the author's theories, the accounts represent "the attempt to explain and demonstrate the double formalism, meaning the registration of any accounting transactions twice on opposite sides of the accounts" (Evian, IN, 1940:7), while accounting theories "aim at systematic and main treatment of the entire area of accounting" (Evian, IN, 1940:8). Contemporary with Evian's theory, the patrimony theory was developed by the Sp. Iacobescu and Al. Sorescu. So, Evian's work represents the competing theory to the patrimony theory. Ch Cristea, quoted by D. Calu (2005), believes that, "if we take into consideration the keen spirit and the logic of explaining the economic phenomena, shown in Evian's work on most issues, the denial of accounting as independent science can be made only by the fact that in our country, the main exponent of the economic theory related to *double entry* was blinded by the passion of the controversy with the representatives of the patrimony school".

In his study, Ion Evian started from the German accounting literature, and then he told his own opinion. His theory is purely economic and categorically rejects the scientific nature of accounting, which he thinks to be just a technique for completing the enterprise economy.

In the preparation of his theory, the author starts from the static theory on the balance. Thus, the company's asset is represented by the estate, which, in his view, is made of all elements that help the company to achieve its goals, and that can be measured in money. Evian explains the *debtors* account, represented by receivable rights, not by tangible assets, as "an element of the assets that takes only a temporary form of impalpable wealth". (Calu, DA, 2005:110).

Professor Evian explains the *liability* as "the adjective *liability* describes the capacity of a person or a thing to be non-active, so it means to stay still. In this static situation, we may find the first explanation, adequate to characterize the total capital of the company by classifying it as *liability*." (Calu, DA, 2005:110)

Evian presents the equality of the assets with liabilities by the following formula

Total Assets = Total capital.

The theory developed by Professor Evian was proved wrong (C.G. Demetrescu, Gr. Trâncu), but also supported (D. Voina).

V.Conclusions

The approach of accounting history from the point of view of personalities who distinguished themselves over time in this area is something increasingly common in the literature. Biographical references often help us to capture certain aspects of accounting history that would otherwise be unnoticed. So, to capture that Professor Evian is a leading figure in the accounting history of Romania, and that he represents the School of Accounting of Cluj, we tried to present his scientific work.

Evian's theory is one of the most representative and current theories of Romanian accounting, so that this professor may be considered Luca Paciolo for the accounting history in Romania. Ion Evian is considered a historical personality in accounting. Besides being a professor, he was a practitioner and a representative of the accounting profession in Cluj-Napoca. Besides the presentation Professor Evian's work and activity, our study may continue with the activity of the other professors of the Academy of High Commercial and Industrial Studies in Cluj.

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